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"Salvation of India lies in Cottages."

—*MAHATMA GANDHI*

Shri Nehru Decides To Stay On In Office

After a period of speculation and uncertainty surrounding the proposed temporary retirement of Shri Nehru from his high office of Prime Minister, it is a relief to know that he has finally bowed to the wishes of the Congress Parliamenttary Party and given up the idea of going out of office even temporarily. The resolution requesting Shri Nehru to stay on in office, adopted by the Congress Parliamentary Party in its meeting at New Delhi reads as follows :—

"This meeting of the Congress Party in parliament has received with a sense of great shock the announcement made by the leader on April 29, and though conscious of the great burdens borne by the leader not only during the period of his office but equally during the period of struggle for independence, it resolves that it cannot contemplate the acceptance of any suggestion which would mean the severance, even though for a temporary period, of the ties that bind the leader to the party and the Prime Minister to his office.

"The party, however, is fully aware of the great strains borne by him in the discharge of his duties nobly performed not only in the service of his own country but equally in the service of humanity. Nevertheless, it requires the leader not to contemplate any such action as indicated to the party by him on April 29. The party categorically refuses to contemplate any period devoid of his continued leadership which in its considered opinion is of paramount importance in the context both of varied and complicated problems facing the nation and the serious and difficult problems facing the world."

This was as anticipated. For Shri Nehru is indispensable to the very existence of the Congress Party and more so for its remaining in power. But this mandate of the party deprives him of his best judgement of going out of office temporarily to study the situation in the country in the capacity of an individual citizen which as Prime Minister he has failed to do. Under Party pressure, he has succumbed to the disadvantageous position of serving the interests of the party at the cost of greater good of studying and helping to remedy depressing and all-round disgusting conditions which have pained him so much of late. It is simple common-sense that this most depressing and confusing situation created by the acts of omission and commission of the ruling party could hardly be improved by his continuing its leader and Prime Minister.

WEAK DECISION

The decision of Shri Nehru to continue in office may be welcomed for considerations of the Congress party, but it could hardly be sustained in the light of reason and logic of his statement presented by him to his party members. The analysis of the situation which is both revealing and painful and which led him to go out of office temporarily to remedy it and the final decision of the party, which he accepts, have hardly any logical bearing. Relevant excerpts from his statement pre-

senting the grim situation in the country, as appeared in the Press, read :—

"I told you on the last occasion that for some months past, I have been thinking about this matter. It was not a casual effort that I made in making that statement here. Vaguely, the idea often came to me but it came to me with peculiar force in the shock of the circumstances created after Maulana Azad's death. I do not say, it was Maulana Azad's death that brought it about but it was one shock that gave the last push to that idea."

"I thought over it subsequently a great deal and later consulted some of my close colleagues, whose opinion I value, Mr. Dhebar and others. I consulted the President more as an old colleague than as President. I told him of my intention. I did not formally send him my resignation in writing or anything like that because it would have been improper for me to do this behind the back of the Party and without consulting the Party.

"I balanced the advantages and disadvantages of various steps. Certainly there were disadvantages in what I intended doing. They were clear to me; on the other hand, I thought there were advantages also, and they outweighed the disadvantages.

"Day before yesterday, I said something about my being irritated by various things that were happening in the country. That is perfectly true. One is irritated, pained, at all manner of things that are happening in the country, to our organisation the Congress, and many other things. But I would like to make it perfectly clear to remove any misunderstanding that the questions that basically have disturbed me have very little to do with this Party or my Cabinet or the functioning of Parliament.

"It was the larger picture of India that disturbed me, and what disturbed me were facts, things definite that happened, and, even more so, things which are imponderable, insubstantial, which you cannot grip, an atmosphere growing in India which I found not only disturbing but rather suffocating to a slight extent, if you like.

"That disturbed me more and more. After all, many of us were drawn to politics not to find a career, to get a job and all that. We came because it was part of a mission that we had undertaken—a part of it, not the whole of it. Now I realised more and more that that mission aspect was disappearing. Now, individuals, of course, may have it more or less, but the whole background was changing.

"Speaking about myself, I have a certain competence, a certain efficiency, and I did my job. But, more and more, I began to feel unhappy about it: it was the work more of some kind of a robot or automaton functioning efficiently, if you like, without that deep sense of function, that sense of mission. Somewhere, of course, that sense of mission remained but somehow I was rubbed up the wrong way all the time by this atmosphere that surrounded me.

"There are many things that have been happening, and it was not entirely confined to the Congress—it was not a Congress matter as such —it was rather a matter for the whole country.

"I do believe—although I am unhappy about things that have happened to the Congress and in the Congress—that the Congress is still, from any point of quality a superior organisation to the other parties in India. It is not that I think the Congress is worse than the others—of course not. But then we have always laid claim to higher standards and we have tried to live up to them even if we failed sometimes.

"The others laid no such claim more or less. And so, while I was disturbed at things that happened in the Congress organisation all over the country, the disruptive tendencies, the rather unseemly race for office or for posts, the bitterness that is generated amongst comrades and Congressmen and all that, I was really thinking not so much of the Congress but of what was happening in the country as a whole, a deterioration of our Standards, a certain coarseness coming into our public life, a certain vulgarity coming into it.

"One does not naturally like such reactions and one resents them. It is not resenting any individual or any action but this general feeling of vulgarity and coarseness in our public life—not in the Congress itself but the whole country—also in the Congress—creeping in.

"Then I had a feeling also that we were obviously getting less idealistic; in fact, idealism was rather fading out, not again in every individual—that is silly—but I am talking about the general atmosphere. There was a certain reviva-

list feeling gradually creeping in which I do not like at all, which is connected, according to me, with utter reaction, a certain communal feeling creeping in even among Congressmen which I do not like largely because that too means to me stark reaction.

"It was difficult to describe—it was just the atmosphere getting murkier, heavier and more difficult for a sensitive person to breathe, easily. All these are things that are imponderables. You cannot catch hold of this or that but they are things that grow and make one feel that something should be done.

"What is one to do? Frankly, I do not know. It is all very well for people to say we should strike out with shining sword and cut down this head and that head, but it is not as easy as that. Our great leader Gandhiji, remember, was actually assassinated. I mean to say there are all kinds of forces in a country, good forces, bad forces, forces of light, forces of darkness, everything mixed up. All of us, in the face of our great problems, are small folk. Who are we to imagine that we can control destiny or change the face of things by some magic wand?

"Anyhow, disturbed in mind, I thought, thinking perhaps more about myself than about other issues, that perhaps if I had a period away from office—not long, if you like, a few months—and if I could have this quiet time, I might be able to, well, make myself more suited or have a clearer mind as to what I should do about it. It was really a quest, a search within myself, not against anybody, any individual or anything. I realised that it may well be that all my efforts to find quietness may lead me nowhere—it may lead to the continuance of the same ferment and confusion in my mind; that is quite likely.

"Look at the picture outside India......I am disturbed by it; I am distressed at it. There are certain good signs in it, I admit, but the bad signs are pretty bad and a sense of helplessness grows on one. One cannot do anything. It is all very well to pass resolutions or to deliver fine speeches or condemn this person or this country or that; but that is not good enough. It does not help at all.

"The question is not of one of very high standards; the question becomes one of common decency. The ordinary standards of a human being are not high moral standards. I have often said that we in India suffer from a split personality—a real split personality. One part of us is of the highest moral standard. We talk about it and we believe in it; and yet another part of us forgets that completely and functions very far removed from that standard. And, so, this other part seems to be coming up more and more, the allegations and pulling of each other down, knocking each other down. It has really been an extraordinarily painful thing.

"All these things crowded in upon me, and I had that powerful urge to which I referred, that I must get away. It may be a weakness to get away and justify it. After all (I said to myself) you are going only for a short time. You are not escaping. You are not running away. Even when you are away, you will be able to do something about it.' Also, to some extent—I hope not too much—I had an idea that my doing this might shake up the people, make them think, though I hope that was not the dominant motive.

"So do not let us find fault with this individual or that. There is something wrong in the atmosphere, something wrong in all of us, may be, in which we all share. That is why I wanted to—well—somehow to try to find out if it was at all possible to learn for myself how to deal with the situation and whether it was possible to deal with it."

Continuance in office under pressure of the party and against his own best judgement is hardly the cure of the malady diagnosed by Shri Nehru in his statement. That only shows that either the conditions in the country which had irritated and pained him greatly, of late, are not sufficiently disgusting or he has still a lurking hope in his mind that they may yet be cured by his remaining in office.

However, the decision taken by Shri Nehru is not in accord with reason and his own personal judgement. It is the triumph of the party against the reason of the leader. And, when the leader fails to act up to reason and to the dictates of his conscience for whatever external pressures or considerations, he may be presumed to have outlived his utility. A situation like this portends change of leadership to cure the malady affecting the health of the Nation.

REALISM IN PLANNING

By : S. SITARAMAN.

At long last, our bosses in charge of the second Five-Year Plan have realised that there is a wide gap betwen reality and assumption, so far as the 2nd five-year plan is concerned. The Planners fixed certain targets without taking into consideration the resources available for this purpose. As a result the success of the Plan has become a thing of gamble and speculation. Quite a lot of guess-work has been going on about the real prospects of successfully carrying through the Plan, and consequently the atmosphere is charged with an air of uncertainty and despair. The fate of the 2nd plan hangs precariously in the mid-air like the sword of Democles.

The foregoing paragraph should not discourage our country-men. It only reflects the actual state of affairs prevailing in the Indian Economy. If dejection and frustration are allowed to enter into our minds, no power on earth can stop our country from plunging into a disaster. What we have to do is to take a realistic appraisal of the whole situation and then Plan accordingly. The difficulty our country is now facing is due to the fact that our Planners took holiday from reality and allowed their whims and fancies to have a free play while drafting the five-year plan. Apparently, they have conveniently forgotten the proverb "if wishes were horses beggars may ride" and so thought that fixing nicely the targets will fetch success. But unfortunately that is not to be so. While planning for a huge population which is grossly under-fed and over-burdened, it is of paramount importance to place emphasis on actual facts and down-to-the-earth reality. It is no good to have ambitions without the capacity to achieve them.

It is of particular interest to examine what are the snags in the second 5 year plan. Too many loop-holes have to be plugged, should the progress of the plan run smoothly. In the first place, shortage of funds is the main trouble. This problem is a common feature in all the countries around the globe, but in our country its magnitude is so high that it makes one wonder whether it is advisable to launch such a plan which expects big results from meagre resources. A study of the plan frame will make this clear to us. Out of a total outlay of Rs. 4,800 crores to be spent during the plan period, only 50% can be financed from internal resources ; and that too only if those resources do not fail to yield the expected amount. The rest 50% is made up of deficit finance (1,200 crores), foreign aid (Rs. 800 crores) and an uncovered gap (Heaven only knows how this can be covered) of Rs. 400 crores. Out of the internal resources tax revenue is expected to be of the order of Rs. 800 crores while small-savings and market loans are to cover Rs. 1,200 crores. Other budgetary surplus will make up the remaining Rs. 400 crores.

Now, it appears, all calculations with regard to the estimate of available finance from these sources have gone wrong (or to put the blame on the other party, these sources have disappointed us and more correctly the Planners). The faithful application of Kaldors' proposals for new taxes have not significantly augmented our tax revenues. On the contrary, the new taxes have discouraged financiers to invest in fresh industries. India is on the threshold of industrialisation and it should be the maxim of the government to promote and encourage new industries by all available means. Instead of such a

policy, levying heavy taxes on industries and thus indirectly discouraging them is to put the cart before the horse. Such a policy smacks lack of knowledge of basic economic principles. So far as the country's prosperity is concerned, this is a suicidal policy. Added to this tax burden, there is always the threat of nationalisation. The Government of India seems to have a particular liking for dramatic occupation of the private sector.

The small-savings scheme has not come up to the expectations. The target for the 1st year of the plan period was Rs. 100 crores but only about Rs. 50 crores were realised. Coming to deficit financing it is to be observed that the extent of deficit financing in an under-developed country is limited for practical purposes. The reason is, excessive deficit financing will result in inflation of a high degree. In an underdeveloped country the supply of capital and consumer goods takes sometime after the investment for the supply of these goods is made. The net result is, people finding more income in their hands demanded more goods, causing the prices to go up by leaps and bounds. Rising prices or inflation affect terribly fixed income groups. Since most people in our country are having fixed income they will experience a violent blow on their meagre purse. Businessmen and capitalists (who are in a minority) will prosper at the cost of middle class people and wage-earners (who are the majority) and this is totally unfair.

The importance of external aid to our country cannot be failed to be recognised. But, for that matter we cannot place much reliance on Foreign aid. As it is, 1/6 of the finance to execute the Plan has to come from the foreign nations. Such a position is bound to create certain difficulties and in fact has done some harm to the progress of the plan. Our country being poorly industrialised looks to the West for the supply of Capital goods like machineries, industrial raw materials, steel, etc. The problem arises when the imported goods have to be paid for in foreign currency. Our stock of foreign exchange is very low at present and hence we are unable to pay for the imports. That means curtailment of our essential requirements which has its own chain reaction by halting the execution of some of our Projects.

If the set-back to our Plan resulting from lack of foreign exchange is to be cleared off, we must secure foreign aid not less than Rs. 1,000 crores. But the chances of securing this entire amount are not bright. In the first place Britain's financial position is not much satisfactory to enable her to give us liberal aid. In the case of U.S.A. though they have been helping us with liberal monetary aid, the size of aid is not enough for our need. To some extent our foreign policy stands in our way of getting large scale aid from Uncle Sam. While Pakistan has openly and strongly aligned herself with the U. S. A., we stand aloof and have proclaimed that our nation will not join the Western Block. Many American politicians naturally do not like to see India which is refusing to side with them on many issues, getting substantial aid. So there is a certain amount of friction in receiving sizable aid from U.S.A.

Our capacity to earn increased foreign exchange is limited at present but that can be increased by exploring new markets to find an outlet for our exports. To conserve the limited foreign exchange the government of India have made drastic cuts in the import of various goods. As a result, many traders are affected severely and business is gloomy. Employment opportunities are cut down when imports are restricted and the government also suffers by way of reduced import duties.

The total outlay of the plan will involve Rs. 5,600 crores, if the targets origin-

ally fixed are to be attained. That means the situation is graver still. Hence we hear so much talk about rephasing and pruning the Plan. Such loose talk indulged by people belonging to responsible quarters is unhealthy and hence there is no clear-cut approach to the plan.

The factors that have made the conditions difficult are wide and varying. Firstly the food production in the country has not improved. Even after the end of the 1st Plan which was oriented on food requirements the food situation is deplorably weak. We have to import, unpleasantly, annually 5 million ton foodgrains. Food production in the country has not increased, thanks to the confusing and friction-creating land reforms of the government. The prices of foreign capital goods have soared high after the Suez adventure.

There is wide agreement in the view that if the entire plan cannot be implemented at least the core of the plan should be carried through. It is really a pity that after raising high hopes initially, the planners should descend to the level of struggling to save at least a part of the plan. That indicates confused thinking.

FROM SCOURGE TO BLESSING

(A Story of China's Herculean Irrigation Effort)

By : HUANG LUNG

After the good harvest of last year was gathered in, farmers in China began building irrigation works on a scale never known before in all history. From the end of last October to the end of March of this year, in five months, they dug ditches, canals, reservoirs, water detention basins and other facilities enough to water more than 45 million acres of land. This is an area much larger than the total irrigated acreage of the United States. It nearly equals the whole area of England and Wales. It brings the irrigated area of the country up to 132 million acres.

China's irrigated area was already one of the world's largest before liberation, but compared with the total cultivated land, the irrigated area only amounted to a little more than 12 percent in 1949. Since then it has grown at a phenomenal rate. From 40 million acres in that year it shot up to 87 million acres in 1957. This has been a major factor in the continuous rise in the nation's output of food crops, which reached 185 million tons last year as against 108 million tons in 1949. Now the work done in the past few months alone is not far short of the total irrigated area added from 1949 to 1957. And an 11-million ton increase in food crops is planned for the current year.

Chinese farmers have in this way been turning to good use the winter months which in the old days formed a season of slackness and under-employment. At the beginning 30 million farmers, it is estimated, joined in the task of building of irrigation works. By January the number had grown to 100 million. By March 31 they had put more land under irrigation as their forebears had done in the 4,000 years before liberation. The irrigated acreage is still expanding at the rate of half a million acres a day. How did this "miracle" take place?

During February I toured Anhwei to

find the answer. In a few months the farmers in this province had excavated 3,830 million cubic yards of earth—16 times as much earth and rock as was shifted by the builders of the Panama Canal in a decade.

What struck me first on reaching Suhsien, the railway town on the eastern fringe of the north Anhwei plain, was the large number of motor vehicles. An American jeep took me from the station to town. Ten-wheeled International and General Motors military trucks shuttled along the road, bringing in Shanghai-made goods and taking out farm produce. "They were part of those captured by the Liberation Army in the—Suaihai battle fought here in 1948," the driver told me. "They still come in very useful."

That battle on the north Anhwei plains was one of the biggest military campaigns in Chinese history. The Liberation Army trapped and wiped out 600,000 American-equipped Kuomintang troops. It was an important turning point in the liberation of the whole mainland. Today, another kind of battle is raging here. Using shovels and picks as their weapons, millions of farmers are transforming this upper Huai River valley, notorious for its floods and famines throughout the ages, into a land of plenty. Giant mounds of freshly dug up earth lend some variety to the otherwise monotonous landscape, flat as a billiard table. Wherever one drove the mounds were there.

The aim of the farmers in all this work is clear and simple. It is to treble or quadruple their farm output. They are turning this region, which has till now grown only one wheat crop a year, into a double crop area, that is, to make it yield also an annual rice crop.

The north Anhwei plain on the northern bank of the Huai River, occupying an area the size of Holland, was once, long ago, one of the most fertile regions of China. But after the Yellow River disastrously switched its course south in the 12th Century and poured its turbid waters into the Huai River, it was ravaged by floods. The lower Huai River became silted up, causing constant floods along the upper Huai River and many of its tributaries that cross the plains.

Before liberation, the most that could be wrested from the land before the annual season of monsoons and the floods that followed, which regularly turned large areas into an inland sea, was one wheat crop a year. Since 1949, and before the present great effort, the series of reservoirs, detention basins and the networks of dykes built along the Huai and its tributaries made it possible to contain even the biggest flow along the rivers. With flooding no longer a menace more summer crops were grown and, last year, this region, comprising only one-third of the whole Anhwei Province, gathered in 4.3-million tons of food crops, which was almost as much as the whole province harvested in 1949.

But the danger of waterlogging in the rainy seasons remained over parts of the plain. Lowlying land would be submerged to a depth of a few feet for days on end, killing all dryfield crops like maize and beans.

The answer to the waterlogging has now been found—in the growing of rice—for rice thrives in water. And the work in the past few months is making this extra rice crop a practical possibility.

Paddy cultivation has long been practised in central and southern Anhwei, but it could never be grown in the north. Farmers here dared not build irrigation works to cultivate paddy as they would be destroyed by the recurrent floods. But

now with the floods under control there is nothing to hold the farmers back and they are going in for rice growing in a big way.

The physical appearance of this flat plain is being remoulded to the pattern of the Pearl River Delta in South China and the lower Yangtze valley where canals, ponds and dykes predominate. But ponds, canals and ditches are also being built on the higher parts in hundreds of thousands for these will store the generous rain water for paddy cultivation, at the same time preventing it from running off to swamp the lower parts. So a scourge is being transformed into an asset.

Mammoth dykes called "weis", a term borrowed from the Cantonese in the south, have been thrown up around large tracts of farmland in the lower parts to prevent inundation by the rain water coming down from the uplands. These "weis" are ringed by canals and the canals are linked with the nearby rivers. The canals both store the water for rice growing and provide drainage during the season of heavy, continuous downpour. Within the "weis" ponds and ditches are dug to retain the rain water that falls directly inside their bounds. In one county alone, Yingshang, 36 such "weis" plus 4,000 canals, ditches and ponds, with a total storage capacity of 170-million cubic yards, were completed by February. "These projects can hold all the water even if it rains seven inches in three days," Magistrate Wang of the county told me. "There will be no runoff to the rivers."

Soon the rice will be grown on the land where the irrigation works have been built. It will be north Anhwei's first real big rice crop in its long history. One million acres, or nearly one-seventh of the cropland in the north Anhwei plain, will be sown to paddy this summer. This will not reduce the wheat crop, of course, as the rice is sown after the wheat is harvested; and the wheat harvest, too, will be bigger as the newly provided water facilities counter the drought which plagues the wheat fields in the spring. In 1957 paddy was tried out over an area of 130,000 acres. In many localities it yielded three tons to the acre, several times the yield of wheat.

Looking further ahead, like many other parts of China are now doing, north Anhwei has plans to extend its paddy growing to more than half its cropland by 1962. By then the north Anhwei plain will be a big granary. Its annual grain harvest will be up by another six million tons.

As the paddy belt moves north, thousands of water buffaloes are migrating from the Yangtze valley. Stables with special heating arrangements are being built for them, for the mercury drops below freezing point in winter. The new rice fields of north Anhwei will probably be the most northerly climes ever reached by these animals of the tropics.

In the central and southern parts of Anhwei where the land is hilly and irrigation facilities well developed, the new reservoirs, diversion dams and wells that are being built will make available water for enlarging the double-cropping rice area by more than half a million acres this summer.

In all, Anhwei farmers built 2.4-million canals, reservoirs and other water-control projects by mid-March this year. They have extended the province's irrigated area by about two million acres, improved the irrigation facilities over another 2.5-million acres and freed a similar area from waterlogging. This work, along

(Continued on 3rd Cover Page)

A Plea For A Better Understanding Of The Welfare State

By: G. JAYACHANDRAN

The so-called welfare state is a new phrase for an old theory of government under which planners or Government Officials, as the case may be, assume complete responsibility for the material welfare of the people. The actions of the government in the material sphere naturally affect the other aspects (vital as they are in many cases) of human life. Welfarism has to balance the basic ideas that will never be at ease with one another — property Vs. equality. Each of those incompatible ideas stem out of the implementation of welfarism without regard to the sacrifice of both these ideas, namely, liberty and property. The evolution of human life is consistent with the idea of guaranteeing first, a right to life; secondly to liberty; thirdly to property.

The Welfarists destroy property by guaranteeing rights to life and liberty. But in the process of securing welfare to the mass, they withhold liberty against the promised guarantee of plenty to the community. The issue is profound because at stake is man's conception of freedom and feeling of dignity. It is clearly not the duty of government to take a measure of freedom from one person to enhance the freedom of another. The myth of welfarism largely consists in the liberal guarantee of the welfarists to make possible for everyone to be completely free at the same time.

The essence of the welfare state which the equalitarians have developed is quite a paradox. The federal units single out special groups for unequal treatment under law — agriculturists, factory workers, consumers — in order to keep the various segments, of the country's population in rough balance. As the federal units push forward these groups, the centre pulls back others.

Welfare is an end by itself and not a means to an end. Welfarists in India, are not only concerned with the attainment of this end, but also advocate drastic policies which, in their opinion, lead to Welfare State. Their suggestions will wither and deaden the average citizen's sense of participation and partnership in government affairs. They forget that this citizen participation is largely responsible in strengthening democracy.

The practical alternative to the Welfare State is not something called laissez-faire or rugged individualism, or any of the other pejorative phrases for capitalism. I am inclined to call the alternative the free economy if we did not distrust the obsessive connotations which the word 'Free' has come to have.

In so far as, security must be one objective of the good society, the practical alternative to the Welfare State should be of securing a situation wherein welfare devices such as productivity, excellence, creativeness, adventure, dignity, and the chance to take a chance, are effectively guarded and promoted. Such a society relies not on government but on organisation promoted by the people themselves. Thus when people are not restrained to experiment with their own forms of association for mutual aid true welfarism emerges.

I am not here figuring a society without a government. Far be from it. The government has a defined role in securing general welfare such as public works, soil conservation which cannot always be promoted on a large and efficient scale by voluntary private organisations. I would like to emphasise that welfare on a self-reliant basis is not a vague utopian hope but a very practical thing, the realisation of which largely depends on the experimentative spirit of the people, and government on a limited basis.

The free economy produces true welfare of the masses, as it adheres firmly to the following two principles:

1. "Whenever the welfare of a community requires a common action, the unity of that common action must be assured by the higher organs of the community".
2. "Whenever a task can be satisfactorily achieved by the initiative of the individual and that of small social units, the fulfilment of that task must be left to the initiative of the individual or that of the small social units." Because the vitality of free society does not come from the fiat of a ruling group at the top.

The Welfarists in India want the government to launch Welfare programmes and carry them out in utter disregard to the wishes of the people. A Welfare State grows out of mutual co-operation and spontaneity and not through measures thrust forcibly upon the masses and carried out by mere compulsion or sheer violence. Then democracy disappears and in its place totalitarianism and dictatorship reign supreme.

The individual dignity and social prestige are then at stake. We cannot establish a good society simply by a series of uncorrelated measures pushed through by pressure groups. A good society abhores those welfare measures which involve a denial of personality and an abrogation of responsibility. The welfarism secured in a free economy is bound to last longer since the two ideas of authority and administration of authority are divorced by the allowance of spontaneity in the public life of the country, and reconciled successfully by the preservation of individual dignity and liberty.

The anarchy of totalitarianism is bound to come to an end from its own instability and grave lack of logical unity. But once fostered, a retreat from totalitarianism is cent percent impracticable. There is no hope of restoring democracy, of reviving liberty; the destination of totalitarian government being ultimate destruction of liberty and individual dignity. Men intoxicated with power will never voluntarily surrender the power to spend the money of other people in the name of welfare and general well being. Life always has been, and always will be, something of the nature of a race. But there is not much fun in taking part in or in watching a race where in advance the umpires impose handicaps which will effectively ensure that all the competitors will arrive simultaneously at the winning post. And it is not I, but Alexander Gray, who says so. Now, are you willing to participate in such a race or prefer one in which your ability to run is recognised and rewarded?

comprise steel, coal, transport and ancillary power. The 'core' in the Public Sector includes the three Steel Plants, Coal Mining Scheme, Railway development programme, the mining part of the Neiveli Lignite project, development of ports of Calcutta, Bombay, Madras and Visakhapatanam and 12 other power projects. Under the private sector, the expansion programme of the Tisco and the coal mining scheme alone find a place in the core. It is stated that the foreign exchange required for carrying out these projects has already been arranged.

The definition of the 'core' in terms of the projects covered, does not anywhere reveal the extent of chopping off or rephasing the plan since there are many other projects, though not covered by the 'core' but in a fairly advanced state of execution and which should not in any case be left incomplete at this stage for want of exchange. It is also quite likely that in many cases the foreign exchange required may turn out only to be a fractional percentage of total cost and since rapid industrial development would depend on completion of many of these, it is imperative that due attention is paid to them for putting an active resistance to the inflationary pressure.

It will do well to delve on this point because, the Government thinking seems to be heading towards a direction that cannot but cause considerable furore for the private sector. Government's responsibility seems to come to an end when it declares that there is no discrimination between Public and the Private Sectors in the 'core'. Since the steel and coal projects in the private sector have been treated in the core, the rub lies in the statement in the Economic Survey that meekly points out that the course of private investment hereafter will depend mainly upon the availability of foreign investment or satisfactory deferred payment terms.

It seems to have been conveniently ignored that besides an aggregate outlay of Rs. 4,800 crores for the public sector, the Plan has made a provision of Rs. 2,400 crores for investment by the private sector.

The Government's concern seems to be confined only to the fact that it has somehow to carry out its investment programme in the public sector while taking 'a nobody's care' attitude regarding investment in the private sector.

No greater proof is required than in the statement made in the Survey "the trend of public investment in coming years has necessarily to be upward. Private investment may on the other hand decline somewhat partly, because of the paucity of funds in the capital market and partly for lack of foreign exchange investment in the aggregate is, however, expected to maintain an upward course".

It is with this background and also in this context that the Plan outlay for the present financial year is to be viewed. The outlay for the existing financial year will amount to Rs. 1,017 crores for both the Centre and the States compared to Rs. 670 crores in 1956-57 and Rs. 845 crores in 1957-58. The difference between the preceding figure and the present outlay will thus be about Rs. 155 crores which is earmarked for the Railways and certain other industrial projects besides strengthening the provision regarding agriculture schemes in different States. This outlay is expected to include deficit financing of the order of Rs. 955 crores, as proposed for 57-58. It is now estimated that the actual outlay spent would have been only Rs. 845 crores. The Economic Survey itself admits that during 1956-57

for which data are not available, the Rs. 135 crore investment in the public sector was not excessive viewing it from the five-year target of Rs. 720 crores as envisaged for the industrial sector.

Evidently now the attempt seems to be at a deliberate weakening of production and the pace of investment in the private sector in order to keep the high tune of outlay in the public sector. When the rate of industrial production should have gone up and if not that should at least have remained stationary, the Survey discloses the sad fact that "industrial production has continued to rise but, at a lower rate than for the last two years". Considering the production trends over the 11 months from January to November 1957, the rise in the index for this year is likely to work at around 4%.

In a number of industries such as sewing machines, bicycles, electric lamps, pig iron and finished steel and, such others, production either levelled off or declined during the last year. This proves that at least for the time being Government is starving the hen that lays golden eggs. On the other side, still the chicken is so young as hardly to be able to stand on its own legs. The result is thus obvious. It is not understood how the Government can look forward with complacency of private investment shrinking and indirectly reinforcing the inflationary pressures. Can we challenge the fact that the need of the hour is something other than greater production? Taken in this light, it was nothing less than a blunder on the part of the Government to have raised the rate of public to private investment in the Plan to Rs. 61.30 crores as compared to 50 : 50. If there are no misgivings why should it not be admitted that if rapid economic development is the ultimate goal and the policy for effecting such a development is one of mixed economy, there is no reason why the health of the hen that has been laying the eggs should not be further improved for obtaining the desired results. It is beyond my understanding as to why should there be any objection to the private sector delivering the goods so long as the interest of the community at large are not in any way adversely affected.

For instance why should the Government at this stage interfere with the coal policy when the private sector has throughout been delivering coal to the small consumers and industry in a most efficient manner and is yet prepared to carry the load of increased demand.

It is thus more than clear that the Government in its attempt to prove its 'economic valour' is trying to carve out a policy by means of trial and error method. Is it aware of the fact that by this way it is playing with the lives of 38 crores of people who inhabit this land. If such state of affairs continue, the Government's vision of 'sunlit uplands' and broad plateau of economic stability would remain as far away from reality as immediately after Independence.

How to Encourage Co-operative Farming in India

By : G. B. SIRDESHPANDE

The Government of India has planned to set up 6000 Co-operative Farming Societies in the Second Five-Year Plan. Some attempt was made in this direction in the past; the result has not been inspiring. Many are sceptical about the success of Co-operative Farming Societies in India. Study teams were sent over to Palestine and China to study the methods of Co-operative Farming in those countries. The study and reports of these teams are not hopeful of good results in India as the conditions in those countries are different from ours. In Palestine, the emotional fervour of the people has helped co-operation. In China, force has brought about co-operation. In our country both the elements are absent. Indian peasant is an individualist par excellence. He is also extremely self-centred. There is some truth in both the statements. But they are not incurable diseases. The peasant can be coaxed into co-operative action by holding the carrot before the nose.

My experiment with Co-operative Farming

Long before any talk of co-operative farming in our country, I experimented with the co-operative farming method on my land holders. Instead of letting my land holdings separately, I used to lease my lands in lots, for joint cultivation by two families. At the end of the harvesting, every peasant would call me aside and suggest that I should break up the holding and lease to each separately. I would harangue to each on the benefits of co-operation. More work would be turned out by each when working in company. The work would not be lonely and drab. One person would be enough to watch the crop where two would be required when leased individually.

Here, they expressed, lay my lack of wordly knowledge. Because of joint interest of watching the crops, they watched one another. Another drawback was every peasant would work his bullocks with light work load in doing agricultural operations. Slacker partner would remain absent from the work even for the slightest difficulty in his domestic affairs. Thus would end my experiment with co-operative farming every year. I tried co-operative farming by joining people of the same caste (Homogeneous group) and even joining long separated brothers. The experience was the same. They would break up the co-operative team at the end of the year. I persisted in that attempt till I had to start self-cultivation (collectivisation) on account of Tenancy Legislation.

Co-operation exists to a certain extent

We find, peasant has to seek co-operation in his business of land cultivation. He co-operates with another peasant when he has one pair of bullocks and he has to iron-plough his land with two or three pairs. Even in such operations, the end is always unpleasantness. In the same way, there is co-operation in sowing and interculturing and harvesting operations where more than one pair of bullocks is required. **Co-operation exists as long as it is necessary.** There is no doubt co-operation is economical. It strengthens the working capacity. It fortifies against the hostile forces.

But how to make our peasants realise all these benefits. Once he is shown and

accustomed to these advantages, he would readily accept the co-operative method. The peasant goes to pilgrimage in co-operative groups. He performs village festivals by co-operation. These things show that the peasant co-operates wherever tangible benefits accrue to him. We must organise our Co-operative Farming Societies on this basis. We must first start Co-operative Farming Associations in extensive cultivation. There is little scope for individual skill in extensive cultivation. Extensive cultivation is a routine business. We must select such extensive area for each Association as would be sufficient for a tractor to work hardest jobs for all the possible working days. Then estimate the number of bullocks required to do the remaining cultivation work taking into consideration various crops whose sowing seasons differ. Then restrict the bullock work only to the required number and their owners. The rest should be induced to part with their bullocks. We must set up work units both for men and bullocks as in the collective farms of Russia. The wages should be fixed for each work unit. This fixing of work units will do away with the heart burning that arises out of differentials in working capacity. There would be co-operative working till the crop ripens. Then it should be left to the choice of the owner to watch the crop. In this way, the peasant will reap the benefits of mechanisation as well as good cultivation under the efficient equipment of the co-operative organisation.

Complaints must be promptly attended

There must be a provision in the Constitution of the Association that every complaint of the owner as well as of the labour should receive prompt attention by a Committee formed for that purpose. Such a Committee should be small and represent both big holders, cultivators and labour. Nobody should feel that he is not properly heard. Nobody should feel that he has been wronged. The peasant must feel that he (individually) cannot do what the co-operative does for him. He will have no reason to complain as regards costs of cultivation as they are based on work units. His yield will also be according to the quality of the soil. No question of theft of his crop will arise when he can choose to watch and reap his crops if he pleases.

Fine examples of Co-operative working

Our motor transport business was in the beginning organised on the basis of one man concern. Such one man concerns never worked satisfactorily. The owner was worried to death and many weak owners lost their vehicles to their creditors. Later, these were organised into big unions (the immature brother of co-operative working). The same former capital began to show profits and render satisfactory service to the passengers and good working conditions to the employees. When the business was working satisfactorily, the Government nationalised the industry.

State Aid is indispensable

Co-operative Farming Societies may be organised in India, to improve agriculture, to avoid terrible waste in individual farming methods and to give good working conditions to agricultural labour. Better farming will yield better returns to the owner members too. One thing is needed in the organisation of this innovation. Persons with education who have been brought up in agricultural environment should alone be appointed as paid organisers and advisers and supervisors.

Co-operative movement cannot survive without Government initiative, resources and guidance and supervision. Bungling bureaucracy is not a suitable agency for direction and supervision. A new cadre

of experienced and educated agriculturist should be formed for this purpose. Co-operative Farming Societies will bring about rationalisation of our agricultural Industry. It is disowning responsibility to declare that co-operation must be developed by people themselves. Peasants are weak in resources and organising ability. But for State help (financial) all the co-operative Sugar Factories in the Bombay Province would not have seen the light of the day. These Co-operative Sugar Factories will come to grief if the State support is withdrawn hastily.

Reaction On The Mehta Committee's Report On Social Education

By: B. V. Venkatachalapathy

The revolutionary impulse on the critical note in the tamil paper 'Dinamani' (Madras) regarding the abolition of the Ministry of Community Development and abolition of the posts of Social Education Organisers is an unreasonable analysis and is not a realistic statement that the plan projects committee has made. It is essentially needed to draw the attention of one and all who are interested in the Community Development Programme, to the importance of Social Education in building up rural India. The concept of Social Education is growing rapidly bringing a desired change and a new outlook in the rural areas. It is well worth quoting here that 'Community Development is the method and Extension Education to Society is the Agency through which the programme seeks to initiate a process of transformation of the Social and Economic Life of the Villages! Social Education is the crux of the entire Community Development Programme. It is in ultimate analysis, an intricate, long term educative process. One is, therefore, bound to be disappointed if one expects quick results. Yet strangely enough quick results are produced in many blocks in India under favourable conditions.

Shri Mehta's Committee seem to have superfluously and overlappingly inspected the Social Education Programmes. If the Committee feels that there is no necessity of a personnel like Social Education Organisers, who is imbued with a missionary zeal, and if the importance of Social Education is not felt, then it is worthwhile a suggestion. But the sweeping remarks cannot be accepted for implementation. But this is practically impossible because no country can remain under-developed. Social Education is like a challenge to democracy and without a change in the structure of rural Society and creating an environmental atmosphere for higher aspirations in life of a common farmer, the principles of Community Development will not have been achieved.

There will be nothing wrong if we say that the Social Education personnel in the Block is the only one amongst all the Extension Officers at the Block level who possess a very heavy responsibility to execute and who will be creating an incentive of patriotic feeling amongst all in the Block and who will be like a stimulant to avoid frustration among all workers. The Gramsevak is the most important Social Educator at the village level. Social Education Organiser is the liason officer between the administrator and the field worker who would translate the process of extension in his specialised role. In the in-

tegrated role he will assist the Block Development Officer in the field and carry the disseminated knowledge of Community Development aims to every family, thereby relieving the Block Development Officer from the field responsibility and allowing him to look after administration. He is the Educational Authority at the Block level to make every one feel that it is their programme, but not his programme, but who makes effort to persuade the people, that this pragramme is "People's programme with Government participation, and not Government Programme with People's participation."

The Ministry of Community Development has published a manual for the Social Education Organiser, defining the jobs. Mr. R. W. Wilson, Consultant, Minister of Community Development in his evaluation report has expressed as how impossible it is for any Social Education Organiser to perform all the jobs that are entrusted to him. The job chart is so very comprehensive that it is hardly possible for any Social Education Organiser to come out successfully.

The job states that he should be a human development relationship specialist, he should be a Social reformer, he should be an expert in audio-visual aids operation, he should be the drum beater in the Block, he should be the problem diagnosing specialist, he must be an expert in leading study tours, he must be an editor of the Block Magazine, he must be the Welfare Officer for all kinds of Social activities, he must be a cameraman, he must be an expert in leading visitors, he should control the work of a Gramsevak in his sphere of activity, etc., etc., and so on. His jobs are not one or two, but multifarious, integrated, specified, and useful to the rural mass. This clearly shows the importance of Social Education in the new set up.

The Training Programme also provides a broader outlook and creates a new incentive to become a good Social Worker in the mind of a young man who will be just stepping from the University to work as a Social Educator. All these days the Social Education Organiser is left all alone in the Block and there is no guidance to him in his specialised field. It is high time that the Ministry of Community Development should pool the experiences of all the Social Education Workers in the field and take possible steps to redefine the job of a Social Education Organiser and to provide adequate training to Gramsevak in the field of Social Education.

When the importance of Social Education is felt by one and all in the Block, it is not felt by a Gramsevak who is the key personnel in the whole programme. It is not the fault of the Gramasevak, but of the type of training which he gets actually in the Training Centre. He is the nucleus of the entire movement, as he is to remain in constant touch with the villagers of the area where he operates. He needs adequate knowledge of Social Education, though we are in the know of the heavy multipurpose nature of duties entrusted to him. Ultimately, a Gramsevak will become an educator who will be recognised by the villagers to receive disseminated knowledge and information in every field.

The recommendations of the 4th Development Commissioners Conference held at Simla in appointing District Social Education Organisers to guide the Social Education Organiser in the Block is still remaining as a mere recommendation. His presence will counteract the part of a Social Education Organiser and he will find another technician to get necessary help and guidance. This should be made available only for the personnel who is working in the field of Social Education.

The present confusion cannot be avoided until suggestions are taken from

the field workers. When the planners are emphasising to plan from below, it is completely neglected and the whole programme is becoming top planning. Enough opportunity should be provided to the present Social Education Organisers who are working in the field and the facilities should be expanded providing more scope to work. They are all working selflessly for the development of their nation and they have got every claim to express what they feel about their programme, and now when time is fast approaching to build a Welfare State, it is their job also to rectify the defects of the programme and set right the criticisms launched by people who are interested in the programme. These are matters that call for close and urgent consideration.

Though the recommendations made by the Committee are not reasonable as far as Social Education is concerned, we all field workers have to thank the study team for Community Development and National Extension Service led by Mr. Balawantrai G. Mehta who has perfectly guided us all so that we may not move in the wrong way. The recommendations made need still more discussion at every level and enough opportunity should be thrown open to field workers to pool out their experiences and the reflection of their thoughts in the present movement.

The report undoubtedly constitutes a realistic picture of the programme but we are all sure that a day will come when the future plan projects committee has to emphasise the need for social education everywhere. Social Education is only a slow process, but not a product. It is only a means and not an end in itself. In that slow process of implementation we are happy to hear a roaring notice to stop the process. But the process cannot be stopped, it should continue because, we are in free India and we are to pave the path for a Welfare State.

THE LAND REVENUE POLICY

By : NAUTAMLAL C. TEJPAL

Villages 50 Years Ago

In the beginning of this century there was a well defined standard of equality among the villagers. The comparatively rich merchant of a village and a labourer ate about the same kind of food — pure ghee, (there was no Dalda), pure milk, pure oil and course grain. They wore the same kind of course cloth and their women folk used to fetch water from the same village well, besides washing their clothes and rubbing their shoulders with one another at the same temple.

If the rich had more cash to spare, he had no other outlet to spend in any luxury as there was no luxury available at any cost. So he would buy a few gold ornaments and these too were the property of the whole village, as, any one who had an auspicious occasion, would borrow the ornaments from the persons who had them. A rich man of the village could show off his riches only when there was marriage in the family by feeding the whole village with rich food; otherwise there was complete equality among the people. The richmen's wives would do all the household work, including, grinding, milking, washing etc., without outside help. It was truly a socialistic society minus the injustice and impositions of the modern socialist States.

At that time there was no money factor among the villagers; the farmer was producing enough to feed the village; grain could not be hoarded for more than a year or two, and if hoarded, it was for loan or famine years and not to make higher profits. He had no use of money, since he was producing and getting all his requirements from his land and the village. Against grain he was getting the services of a potter, a carpenter, a black-smith, a barber, a weaver etc., to whom he would give the produce of his land. **The State Revenue too was taken in kind based on the produce of the land.**

At present our Government collects taxes in cash, then puts restrictions on sales and prices of the food grains and in case of scarcity, the State enforces levy and procurements from the farmers. By this the farmer feels himself cheated of his produce, which in turn results in hoarding and black-marketing. All this could be overcome if the simple and easy system of crop sharing is adopted.

Todarmal's System

Raja Todarmal had given us the most scientific method of Land Revenue, which since the advent of the British has been replaced by a crude and inhuman method of Zamindari and taxes in cash. What moral and spiritual degradation has been brought about by this method could not be seen from the high pedestal of power. It has, and is, destroying the simple farmer physically, morally, spiritually and even materially.

The most rational system is CROP SHARING according to yield. Out of the total crop, the farmer keeps one third for his own use and seeds, one third is disposed off in the market to get cash to buy his sundry requirements and for marriage or social expenses, while the one third is given to the Government as Land Tax.

One third which the State receives, acts as a controlling factor in market rates or stored for famine relief. Green fodder crop was free of any levy, thereby helping the well-being of the cattle.

At present the masses are ill-fed or half-starved; they are turning into veritable beasts, death would be much better than allowing them to live like worms. Worms and sheep will never suffer in numbers. Even if starved they keep on increasing, only lions and tigers will either live their own way of life or prefer death. So we see less or no lions and more sheep among us. Do we wish that our nation may increase and live like worms? But our leaders want more sheep to be led to the ballot boxes for giving them votes meekly and not lions who would kick them out of power.

A Mad Notion

Added to this is the fantastic idea of being pushed in the minds of the simple villagers that the land belongs to the tillers, and that the produce of labour of the tiller is property. This is very inhuman idea. Food is not produced with human labour alone; suitable monsoon, nature and soil, all combined with human labour produce grain to feed the hungry. Land is the property of the nation and not the private property of any individual. The right to air, water and food belongs to one who need them. The hungry has the right to eat as the thirsty has the right to drink and all of us have right to breathe the God given air.

Money-Made Men

The slogans, "Land for the tiller", "the produce is the property of the farmer" added to it, the production of more cash crops, and the idea of higher

standard of living, which means more cinemas, more cigarettes, more tea shops, have acted as a strong intoxicant on the simple minded villagers. It has made them beasts in human form. To those who have good lands and get good monsoon, bring new crops and more money and every season they get new wives and divorce the old ones, they sell their daughters to the highest bidder as they sell their crops at the highest price, they gamble away their money, and to pay gambling debts, they take takavi loans from the State. The over zealous State who is eager to help the farmer in every possible way, blindly wastes the public money for giving loans and subsidies to any who brings a letter from a Congress worker.

For money, farmers sell their milk and Ghee, they sell their good grain at high prices in black market and buy cheap and rotten imported grains. For money he plants mostly the cash crops like — cotton, tobacco or ground nuts, the by-product of which is either too little or useless as cattle feed; so his cattle starve during the idle season, and are fed only when the heavy work is to be squeezed out of them. Money has destroyed every fine sense he had; he has forgotten his God and has become the worshipper of mammon.

Our Perverted Economy

Since the introduction of land taxes in cash in Saurashtra where there had been taxes in kind, the farmers are growing commercial crops and are buying their food requirements from outside; and they claim that they earn more money by that process. Our State is also keen to sell tea, coffee, tobacco and oil seeds to earn foreign exchange, against which we import rotten grain to feed ourselves. Nobody sees the invisible loss in the process, as something like 50 percent of the trade dealing is eaten up by high shipping and insurance charges which mostly go into the pockets of the foreign concerns. And the loss due to local transport and poor storage we suffer is tremendous. All this we can save if we plan our land production in such a way that each village unit would produce and consume its own food requirements.

Sense in Self Sufficiency

Our villagers do not eat fruits, fresh vegetables, milk or ghee as prescribed by the nutrition experts. They do not get proper vitamins and proteins in their diets; but if they get two square meals a day, they keep themselves healthy and strong, though susceptible to infectious diseases. The secret of their health is that they grow the grain in the soil in which they themselves are born, the grain grows in the atmosphere in which they are breathing and living and the grain is cooked in the same water by which the crop is irrigated. This simple food and the physical system of the villagers extract all the vitamins and proteins from the food which he needs for his health and strength. No foreign grain of the best quality would give this result.

Though the diet is poor in caloric value, still he flourishes on it. If only simple sanitary education is given, our villager will be the healthiest person and our State will save even on medical expense, though very little, if at all, is spent for the rural health.

So we shall make a tremendous gain in nation's health, wealth and the standard of morality if we grow our food where it is to be consumed in place of commercial crops. This could be possible only if money factor among the farmers is eliminated.

Money is depreciating in value day by day. The land tax in cash is a loss to the State. In the next article we shall discuss the method of collecting land taxes and the simplified crop sharing system.

The Importance Of Agricultural Marketable Surplus In Planning

By : SHARAD CHANDRA JAIN

The marketable surplus in agriculture is one of the most important factors limiting the growth of a planned economy. The term marketable surplus in agriculture means the domestic quantities of food and other agricultural commodities which are placed at the disposal of urban population. For food grains, marketable surplus is the quantity released by agriculturists for sale after hoarding the produce for their own consumption and 'seeds' for the next sowing season. For the purpose of the present analysis we will discuss only the marketable food surplus which is more important. These marketable surpluses are required :— (1) For feeding the urban population, and (2) For food processing industries.

The urban population is subject to powerful food drain which means that a large portion of income is used for food. A big section of our urban population (specially lower and middle classes) may be counted to a powerful food drain. This type is taken to mean a situation where 75 percent or more of the income of a population is normally used to acquire food. The small section of the urban population (specially upper middle and richer class) is subject to moderate and shallow food drain, where more than 25 percent and less than 25 percent respectively is spent for farm food products.

After 1951 the demand for foodgrains has been continuously increasing rapidly in urban areas, the main causes are :—

(i) A part of the rural population is made to move to the urban areas, for the implementation of various industrial programmes, major irrigation and power projects and other developmental activities, where they can contribute little to agricultural field work and at the same time create continuous demand for foodgrains preferably of better quality.

On the same point Mr. Asoka Mehta opined in the inconclusive debate on the Food and Agricultural Ministry's demand in Lok Sabha on Friday April 4, 1958 that the biggest phenomenon was not the increase in population, but the rapid urbanization of people and the resultant rapid demand for food without a corresponding increase in production[1]. This rapid urbanization is in addition to the above point and is mainly due to the attractive rapid development of urban areas.

After independance, the two general elections, the five-year plans and bhoodan-gramdan movement made majority of our rural population conscious of their rights with a sense of respect. And a large section of rural population which is guided by urban civilization attracted towards urban areas, the well-to-do big land holders though in small number started living in towns and cities, thinking it a matter of pride. This phenomenon also increased the demand for food in urban areas.

The above discussion, leads one to an inevitable conclusion, that the marketable surplus of agricultural product should go on increasing proportionately as non-agri-

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1. Hindustan Times, p. 6.

cultural pursuits are taken up by the agricultural population. In more simple term we may say that other things being given, a programme of development involving diversification of country's occupational structure depends to a large extent on the availability of a marketable surplus of foodgrains.

Now this increase in non-agricultural population (though welcomed because it lessens the hunger for land) in urban areas is wholly dependant on food surpluses available in urban market, but it has been found that agricultural surplus which consists primarily of foodgrains has not increased proportionately in the market although our food production increased by 20.8 percent (or 76 lakh tons) during the first plan period according to the official statistics. But Asoka Mehta Committee's calculation for increase in food production during the First Plan period is much below the official figure, i.e., only 13.7 percent.

So, the following reasons may be responsible for this tardy growth of our agricultural surpluses during the plan period:

1. Increase in consumption by the agriculturist due to his increased production resulting from distribution of land to tiller, additional irrigational facilities and cheaper and convenient available fertilizers and better seeds and resumptions of old debts.

2. Hoarding or holding of foodgrain by the agriculturist for a longer period due to his increased financial status because of increasing food prices over the period 1953-55, cost of production remaining more or less unchanged.

3. Very little increase in the rate of consumption goods like salt, cloth, sugar, etc. Increased expenditure on such items could oblige the agriculturist to sell a part of his produce.

4. Consumption of better variety of cereals like rice and wheat (in place of maize, bajra etc.) by the agriculturists. A great portion of these cereals was previously left for urban areas.

5. Increased money and real incomes of the peasants do not seem to have increased the enthusiasm to produce more, though it must be said that the cultivator is using his resources as best as he can.

A deeper probing into the above points make one apprehensive to study the income elasticity of demand and supply for foodgrains and come forward to suggest some measures to increase marketable surplus of foodgrains.

The Income Elasticity of Demand

As early as 1946, Mr. Theodore W. Schuld of the University of Chicago, as Chairman of the American Famine Mission to India had the privilege of observing aspects of the Indian economy, opined that a major factor contributing to the widespread shortage of food was the marked increase in income of the cultivators.

"According to Mr. Schuld, the small cultivator who produces one product, be it rice, wheat or one of the millets, and who usually keeps about half of what he produces for himself and his family. The rest he is obligated to sell in order to pay taxes, debts and other fixed commodities and to buy salt and a few necessaries. He and members of his family seldom have enough food, they urgently want more to eat; it would appear that for culti-

vators so situated home produced food has an income elasticity as high as 1.0."[2].

And today, the same position holds good. As Mr. Asoka Mehta (on April 3, 1958) told the Lok-Sabha "that the more you develop, the more prosperous people get and the more they eat and consume; so we will always be short of food."[3] Our Prime Minister Pt. Nehru also supported this argument (on April 4, 58) while answering questions at a press conference, saying that "well, in a sense the argument is correct. Ultimately, of course, there is a limit to consumption of food even, and that limit sometime or other is reached—otherwise we will be ill and die of over eating."[4]

In our country, when the terms of trade of the small cultivator improve, he sells substantially less food in order to have more to eat. To illustrate this take a typical cultivator who produces 100 units of foodgrain and assume that as a result of change in relative prices his real income improves by 20 percent. With an income elasticity of 1.0, he increases his consumption of foodgrain from 50 to 60 units and thus reduces the amount he sells from 50 to 40 units. This action on the part of the producer diminishes the supply available to others by one-fifth. Here we have a potent force that can easily bring about a grave shortage of food among those dependent on the sales of such cultivators for their food.

Colin Clark "Condition of Economic Progress" includes some data for industrial workers in India which indicate that the income elasticity for food is 0.9".[5] The Foodgrains Enquiry Committee has estimated that the income elasticity of demand is .50 for rural sector. The net indication of these data are that in the rural areas, the per capita consumer expenditure on cereal goes up by about half a percent for every one percent increase in the per capita total consumer expenditure. The income elasticity of demand for cereal in urban areas appear to be much lower at .25, a one percent increase in the total consumer expenditure is seen to be accompanied by less than one quarter percent increase in expenditure on cereals. (Report, p. 58).

The figure for urban sector seems to be estimated somewhat lower by the Committee. According to the Committee the most recent data on consumer expenditure available are those furnished by the N.S.S. obtained during its tenth round on investigation covering the period from December, 1955 to May, 1956.

"Dr. K. N. Raj criticised these data's by a process of deductive reasoning that they are less valid than the data of Fourth Round."[6]

As we have discussed earlier that a vast population of urban areas are the industrial and lower and middle class people with a powerful food drain. And so their income elasticity of demand for food grains should be more than 0.25.

Even in the United States, "the income elasticity for agricultural product, is derived and computed by Grehand Tintner, is 0.307. Tintner has interpreted the

2. Theodore W. Schuld, "The Economic Organisation of Agriculture", pp. 236, 237.

3. Amrit Bazar Patrika, Vol. LXL, No. 93, April 5, 1958, p. 1, col. 1.

4 A.B.P. Allahabad, Vol. LXL, No. 93 April 5, 1958 p. 1, col. 1.

5. Colin Clark, "Condition Of Economic Progress", p. 445 (1940).

6. "The Economic Weekly—Annual Number" January 1958. K. N. Raj—"Income Elasticity Of Demand: A Comment on Its Use", p. 171.

result thus: " the conditions are on the whole the same as during the period considered, and also if other things remain equal, then an increase of 1 percent in income will be followed by an increase of about 3/10 of 1 percent in the demand for farm products."[7]

In other words the per capita expenditure on cereals goes up by about 0.307 for every 1 percent increase in total per capita consumer expenditure.

But, if we take a figure of 0.75 for the rural sector and 0.50 for the urban sector not only will the rural surplus of 3½ million tons implicit in Foodgrains Enquiry Committee estimate be considerably reduced but the requirement of the urban sector will be much more greater than estimated by the Committee. In these circumstances the imports of 2 to 3 million tons per annum recommended for the strategic purpeses indicated by the Committee will be only for meeting from year to year the requirement of urban sector.

The result of a marked improvement in income of the producer under these circumstances also point out a most difficult problem in economic organisation. A rise in the farm price under the above circumstances, say of wheat, rice or millet instead of increasing the amount of stock which the cultivator will sell, accompanies the converse because the producer supply curve turns backward and the exchange situation, therefore, becomes unstable. Mr. Schuld asks, what can and should be done under these circumstances? In a more practical vain, for these families who find their food supply curtailed as the price rises the situation takes an ominous implication—famine. To avert such consequence, supposing no outside supplies are available it is necessary to check the increase in food consumption of cultivators. But can any economic system dependant solely on relative prices perform a function of this character under these conditions? A rise in price, will, as we have seen, may not achieve the desired end, for it will only reduce the supply available to people dependant upon the sale of cultivators. An increase in taxes imposed on cultivators would be one means to deal with such a situation. "A system of food procurement by direct action based on quotas and, thus forcing the cultivator to accumulate his extra incomes as savings is the approach that appeared most practicable to those charged with the responsibility of dealing with the grave problem of economic organisation."[8]

Asoka Mehta Committee also recommends, more generally the same form of compulsory procurement in a period of rising prices. The Committee mentions that the simplest method of compulsory procurement will be to cordon off certain areas and make the Foodgrains Stabilisation Organisation the sole buyer in these areas for export purposes to other provinces.

In the United States fortunately, the underlying conditions are such that the results that emerge are the reverse from those observed for a poor community as exemplified by India. "The income elasticity of home produced food taken as a whole, is certainly not high; it may be nagative, which means that as the income of farm families increases, more rather than less, of the stock under control of farmer is sold."[9]

If the Asoka Mehta Committee's estimate of the elasticity of income for demand (of foodgrains, i.e. 0.50 for rural sector and 0.25 for the urban sector), taken to be

7. T. W. Schuld—Ibid. Tintner quoted by author, p. 65.

8. T. W. Schuld, Ibid, p. 237.

9. T. W. Schuld, Ibid, pp., 236, 237.

correct then the surplus may increase year after year but it again depends upon income elasticity of supply.

Income Elasticity of Supply

In our country no data are available for income elasticity of supply from which we can estimate by how much percent the agricultural production increases by percentage increase in agricultural prices, so that a fair estimate may be made for the marketable surplus coming to urban areas.

"Grehand Tintner estimates for income elasticity of supply in the United States was 6.40 percent. This is to say an increase in prices by 1 percent will bring forth an increase in agricultural production by more than 6 percent, if conditions are on the whole the same as over the period considered. Though he admits that the estimates seem to be high."[10]

In any case, price elasticity of supply appears to be larger than one, so that the increase of agricultural supply will be at least proportionate, but probably more than proportionate to increase in agricultural prices.

It is a fact that in India increase in prices of agricultural products gives incentive to the agriculturists to produce more. But at the same time due to higher incomes their consumption and the period of holding of foodgrains increases resulting a decrease in marketable surplus.

Marketable surplus in agriculture is the very foundation on which the whole structure of our development stands. A dedecrease in the surplus of less than proportionate increase in the same with the continued migration of people from agricultural sector to non-agricultural sector would raise food prices and prices of other commodities would rise in sympathy.

The following measures may be helpful in raising the marketable surpluses in the country.

I. Steps like imposition of betterment levy, standardisation of land revenue, etc., should be taken. This would help in financing our plan and at the same time would make the agriculturist to sell the produce in the market.

II. Adopting measures to reduce possibilities of hoarding in rural areas in general and urban areas in particular. For rural areas a system of food procurement by direct action based on quotas and, thus forcing the cultivator to accumulate his extra incomes as savings, is the approach that appears most practicable. These savings may fulfil the target of the 'small savings' under the Second Five-Year Plan.

For urban areas compulsory procurement through cordoning off certain areas and make the F.S.O. the sole buyer in these areas, as recommended by Asoka Mehta Committee, should be adopted.

III. Making available in rural areas manufactured consumer goods of up-to-date designs at prices which can be easily paid by villagers through some type of co-operative organisation.

IV. Making available proper storage facilities in rural areas.

10. Econometrica, January 1946, Vol. 14. Grehand Tintner — "Multiple Regression For System Of Equations." p. 34.

V. Fixation of minimum agricultural prices so that the agriculturists have not to wait for longer periods to market their produce.

VI. On the production side the question remains of determining as accurately as possible our targets and then to ascertain with the aid of reasonably sound yardstick what actual addition to production has taken place over a period of time.

VII. The problem of urbanising rural areas has focussed very little attention of the planners. It is a fact that rural population is guided by urban people, in their developmental activities and other performences. The disproportionate injustice done to the rural area can be seen in every sphere of developmental expenditure under the plan periods. The rural areas must be given priority in developmental expenditure. Better roads, housing facilities, schools, electricity, clubs, radios, and other rural activities will induce people not to leave rural areas. This will create security and faith in the government and making supply of marketable surplus more stable for urban areas.

VIII. It has been accepted by experts that mechanisation in agriculture releases larger quantity of landless labour from farm occupation. This section of population usually migrates from villages to towns and cities in search of some alternate occupation, because we have not enough land to provide to these landless workers in rural areas. Thus an increase is inevitable in the demand for foodgrains in the urban areas.

In Western countries the effects of mechanisation are two fold: Unemployment among farm servants and quitting land by farm owners (specially in America).

"Over one million U.S. farmers quit their farms in one year. They locked their barn doors, sold their tools and trudged or flew off to the big cities. Thus a silent revolution is going on in agriculture in the United States brought on by science and over-mechanisation serving as a lesson for free India bent on mechanisation of her agriculture".

But in the United States due to large farm surpluses there is no difficulty in urban areas for marketable surplus, as we feel today.

And what will it mean to India, one of the world's largest agricultural nations? If we apply mechanisation what should we do with the people? It is not so simple just to release labour by introducing machinery and increasing our problems and difficulties which we are facing today.

11. Amrit Bazar Patrika (Allahabad) April 6, 1958. Sunday Ed. John E. Frazer—"Farmers Quit Land—A Lesson For India."

Co-operative Farming And Ceiling On Agricultural Holdings

By: A. N. RAJAMANI

The propagation of Co-operative Farming is now sought to be achieved through the formation of such societies with the exclusive participation therein of the landless labourers in their capacity as newly settled owners of lands acquired as excess over the imposition of ceilings on big agricultural holdings. The logic of this suggestion runs as follows: That conferment of land on the landless acts as an incentive for them to work harder; that one of the main causes of rural unrest, namely, land hunger is satisfied to some extent; that it is comparatively easy, therefore, to compell such beneficiaries to work on the basis of co-operation; incidentally this will increase the volume of agricultural production; and lastly that from somewhere the co-operative farming must radiate its influence and therefore, the forming of the societies in this manner will prove a success.

But the economic aspect of such societies is conditioned primarily, among other factors, by their financial soundness. The sociological change is also a function of the economic status of the participants, as both the social and the economic aspects of co-operative farming are co-existing and interacting. Therefore, the proposition that such societies will operate successfully is subject to certain limiting factors.

The number of landless labourers in India is very large. But the acreage of land available for distribution is only small. The credit facility of the landless is too well-known to permit them to undertake the needed capital investment on the lands to be conferred on them. So money should be pumped into their hands. Generally loans are granted only against some security. In such cases, rules will have to be modified or waived aside to give them unsecured loans. Unless this is forthcoming in an adequate measure, the purpose of distribution and co-operative farming will not be realised.

As their credit-worthiness is zero and as they cannot be expected to become sufficient income-earners overnight, the repayment of the land value would be very difficult for them when they are made owners. On the other hand, the land cannot just be gifted away to them, as in that case, the government will have to solely bear the burden of the compensation due to the shrinking landlords.

Their level of education is strikingly low and their capacity to adopt new techniques of production is not encouraging. There is also no love lost among themselves, thanks to the percolation in the rural area of very many political and communal ideas. This is a result of increasing urbanization. As such the type of concerted and co-ordinated managerial efficiency needed for the successful working of the co-operative farming, is hardly to be found in them. Hence, side by side with the formation of the society, they must be vigourously taught to assume proper leadership; until this materialises, somebody from outside will have to look after them and conduct their affairs. There is thus a time-lag between the formation and fructification of the objective of the society. At a time when the country is in the throes of foreign exchange crisis and faces drought conditions in many parts of the country and consequent food shortage, such a step is neither advisable nor practicable.

Again all excess land collected may not be in the same place. So economies of scale may not be there, viz., fencing.

irrigation, bunding, etc. To make cheap cultivation possible and to assure a minimum income through a minimum acreage to a labourer, consolidation of holdings is necessary. It must precede, therefore, the formation of co-operative farming with landless labourers. Unless this is done, such lands will be subject to further fragmentation and subdivision, and co-operative farming will decay in a very short time.

It is also true that all excess lands will not be of the same quality and extent, and vary with reference to irrigational facility, distance from a labourer's hamlet etc. This will have its own psychological effect on the labourer. Hence the tendency for the level of production will be to be static and not to climb upward. The concept of 'Standard Acre' will have to be worked out and this will call for consolidation of holdings.

It is also well known that one of the main causes of rural economic backwardness is the absence of adequate marketing and warehousing conditions. If the construction of warehousing does not proceed with the formation of co-operative farmings, the newly settled landlord cum labourer will again have to mortgage his crop to the moneylender, in the absence of any other credit agency, at a price which will procure him not even his minimum wage. Hence this will entail a lot of expenditure to the Government, besides what is to be incurred in organizing marketing facilities.

But how to choose the efficient labourer for conferring a plot of land? What criteria are to be adopted? Even Vinobaji does not seem to have successfully solved this. The eagerness to acquire land may create cleavages in the village. So long as all the landless are landless, the cause of trouble among them is kept at minimum. When one of them is suddenly catapulted to the position of the land owner, others look at him with envy and malice and this shakes up the rural society.

Further, there is a psychological conflict in the minds of the newly settled land owners. When he swells with the feeling of his being now an owner, he immediately contracts under the weight of the thought of the operational financial costs and liability to pay off the land cost in instalments. In other words, he pledges his future income, in the face of increased wants to pay for a meagre acreage. If in all the successive years he reaps the luck of good harvests, he may improve; if not, his collapse is inevitable. Here what does the co-operative farming with the landless labourers achieve? Its achievement is only lowering production and making for culturable waste lands.

Moreover, a cardinal principle of co-operative farming is the sharing of the element of risk. The society is expected to insulate every participant against the odds of time. Because all the participants are poor, this principle is **ipso facto** utterly lost in their poverty, which the government will have to make good. And then, the government will have a certain degree of influence on them. So ultimately it will not be a co-operative farming but a collective farming under the aegis of the State or the Central Government.

If the excess lands collected over the ceiling are utilised to boost up uneconomic holdings, it is understandable because such recipients can pay for them and can work harder, if necessary, with hired labour. In the case of the landless, he cannot manage it financially and it becomes a millstone around his neck. He cannot get rid of it unless the rules of the co-operative farming society are so framed as to allow it. Instead of fruitfully earning by his labour elsewhere, supplement-

ing such earning with engagement in cottage industries, he now mortgages his labour to the society with great expectatons of big incomes which may or may not materialise.

Also the Government being the distributing agency, there is a distinct possibility for any political party to considerably influence the thought and action of the landless, who can be easily handled on account of their lack of general knowledge and education. In addition, they naturally feel beholden to the political party that makes them owners. Thus it will be easy for a political party to control a small number of big holdings than a large number of small holdings or peasant proprietorships. Besides, it will psychologically hold back other people from co-operating together for purposes of farming. Therefore, from this point of view, the motive for organising co-operative farming with landless labour is no longer economic but political.

In fact a co-operative farming society with landless labourers implies the existence of an efficient army of landless labourers capable of looking after the society, when once it is formed. It also implies the availability of sufficient financial resources to set the ball of co-operative farming in motion. Neither of this is to be met with in our rural parts. It also means only the pooling of lands and nothing more. It is also quite possible that the landlords will give away only lands of very poor quality as the excess over the prescribed ceiling. So the possibility is for the level of production not to be up to the standard, and hence will act as disincentive to others.

In fact it appears that the advocates of co-operative farming themselves are sceptical with reference to their objectives of co-operative farming being achieved. They are afraid to experiment with the landlords, who, if the society fails, would grumble and agitate to get away. But if anyone could be conveniently had, who will not be quarrelsome but meek, it would be better to do the experiment with him. Perhaps this is the reason why co-operative farming is advocated with the sole participation of the landless. But the element of humane outlook in us will find it difficult to understand the logic of this reasoning.

Himachal Pradesh-A Paradise For Planners

By : J. R. CHAWLA.

Snowcapped, lofty mountains, broad valleys in vernal bloom, few roads and a poor industrious peasantry, living in remote villages separated by nature — that is the picture of Himachal-Pradesh having an unbroken history and avenues of life for more than nine centuries. A land of antiquity and feudalism, of ignorance, poverty and pestilence, it also represents cheerful gay people ignorant of their surroundings — a paradise of ignorance — a paradise of bliss.

On 15th April 1948, thirty principalities of this mountainous region adjoining with U.P., Punjab, Jummu and Kashmir and Tibbet merged into one — Himchal Pradesh. It has an area of 10,904 square miles and a population of 11,50,000 people striving under stringent and strange

conditions of the time and glorifying in the dreams of future.

Such is the region where the Community development programme has already covered 9,000 villages out of the total number of 14,000 and has extended its beneficial endowments to about 88% of the total families. Configuration of the ground and compactness and manageability of the land with scarce communication and heavy transport costs, the Himachal is yet not awakened partly because the people and programme are inactive and partly because the geography of the region has not yet fully submitted to the claims of man.

Agricultural production has increased nearly about 25 per cent through the impact of various measures like reclaimation of land, consolidation of land holdings, provisions for improved seeds, uses of nutrient chemical fertilisers, provision for irrigation schemes and agricultural education etc. At present Himachal supplies 20 per cent of the national requirements of seed potatoes. The area under horticulture comprising at present 3,000 acres, is to be raised to 10,000 acres and the marketing facilities for fruits seeds and vegetables is usually provided by the multipurpose cooperative societies which constitute to a total of 500 in the State.

About 3,600 square miles of the total area is enveloped by dense forests producing in great quantities timber and turpentine. Besides vast potential resources of these commodities Himachal is also a surplus region in apples, oranges, grapes, walnuts and singer and has vast markets in Punjab and U.P.

Ninety-four per cent of the population is dependent on agriculture and yet little additional land can be brought under the plough while tractorisation of the region is impossible. The land tenure system however, has undergone a revolutionary change. In 1954, Zamindari was abolished and tenents were entitled to acquire the rights of ownership by paying compensation and the maximum rent was fixed at ¼th of the total produce. Agricultural debts were scaled down and a ceiling on land was also declared.

HIMACHAL PRADESH

	1952	1956-57
Plan Outlay	5.64 crores	14.72 crores
Food production	42 lakhs mds.	46 lakhs mds.
Cultivated area	7 lakhs acres	9 lakhs acres
Education : No. of institutions	727	974
Education : No. of students	42,000	71,000

The communication problem is the major hurdle in the regional development. While there were only 37 miles of metalled road and 183 miles of Kachha track in the princely Himachal, the unmetalled road now is 762 miles motorable and 560 miles good for jeeps, while 78% of the total 14,000 miles is metalled. The Second Five Year Plan has alloted a sum of Rs. 458 crores for the development of communications.

The Second Five Year Plan of the tune of Rs. 14.72 crores aims at the provision of additional employment of 45,000 people. The following are the broad catagories for the allocation of outlays :

No.	Item	Outlay Rs.
1.	Social Services	3.41 crores
2.	Agriculture (excluding land Dev.)	70.71 Lakhs
3.	Roads and transport	4.58 crores
4.	Rural credit	2.93 crores
5.	Electrification	2.13 crores
6.	Cottage Industries	47.50 Lakhs
7.	Animal Husbandry	33.25 Lakhs

Although coefficient of linkage is favourable to the industrial monetisation of the region yet the location quotient is not conducive to the industrial magnets owing mainly due to the lack of irrigation facilities and high carrying costs of the surplus product. For its power supply the state depends mainly on the Joginder Nagar Power House. The rich mineral resources also lie unexploited. There is iron in Chamba and Mandi and rock salt near Mandi and about a hundred state quarries. The State does not have any textile mill although it produces silk and wool in great quantities.

But the problem of the region does not seem to have been solved despite of the launching of such vigorous planning with the missionary zeal. Firstly this State is a deficit region in regard to food production for which it has to depend upon the neighbouring States. On the whole the production of other surplus commodities is not so great as to offset this deficit with the result that the regional poverty has not been eliminated. Secondly, there is lack of communication which brings in enormous transportation cost and cannot maintain the standard of competitions. Thirdly Himachal Pradesh has no industries and no satisfactory arrangement for water and power. This switches to higher overhead costs and the lack of economies. And lastly the state is lacking in educational and technical skill and the feudal system still looms over the State.

Distribution and Size of Holdings

(Area Owned)

Size in acres	No. of Holdings	% of Holdings	Area Acres	% of Acres
10-15	6	—	67	—
15-30	8	—	65	—
30-45	1	—	14	—
45-60	—	—	17	—
Over 60	—	—	17	—
TOTAL	10	—	168	—
(Area under personal cultivation)				
10-15	5	—	65	—
15-30	3	—	61	—
30-45	1	—	13	—
45-60	—	—	5	—
Over 60	—	—	16	—
TOTAL	9	—	160	—

It is obvious that the bulk of the cultivated area falls in the holdings of in between 10 to 30 acres which is not essentially the size of economic holding in a mountainous region. The acreage between 30 to 60 is owned by the cultivators who have substantial potential fortunes while the cultivated area above 60 acres is very meagre.

Out of the total geographical area of 23,03,000 acres, the net cultivated area is only 6,67,000 acres i.e., nearly 29% of the total area. The net irrigated area is 93,000 acres while the percentage of irrigated to cultivated area is only 13.9%. These figures essentially throw light on the land problem of the region. Although ceiling on land in Himachal Pradesh is 30 acres in district Chamba and land assessed at Rs. 125 in other regions yet the fragmented portion of the holdings cannot yeild much marketable surplus if they are not consolidated.

The Bhoodan Movement in Hima- Pradesh is practically unsuccessful. The Bhoodan collection upto 31st May 1956 was 1,568 acres from 121 donors but the total land distribution was only 21 acres benefiting only eight families. The charity is good but does not lead to heaven.

The regeneration of the land, therefore, is laid in :

(a) the provision for industrial monetisation ;

(b) the choice of technique and
(c) the availability of the enthusiastic development staff.

The case for the provision of industrial monetisation is well elaborated in the March, 1958 issue of "Rural India" while (b) and (c) are the subsequent relavent provisions in the length of these columns.

The choice of technique, especially in the context of an underdeveloped region in the agrarian structure, is of very great significance because of the geographical and social characteristics of the economy. Aiming at the generations of net real income it is obvious that the choice of technique should be such as involves low cost-output ration and also low capital intensive methods partly because the rate of capital formation is very slow and the technical skill is very meagre and partly because of the existence of vast unemployment in the economy. Given the requisite types of capital assets the efficiency of which is great enough in the sense that the marginal cost equates with marginal product of the marginal labour after a certain limit in which the approximate employment of the new labour should be near to the cost of the marginal capital assets. But with the choice of technique and the scale of operation, there is also a great scope to reduce the variable or overhead costs by the provision of the external autonomous spending.

The small scale economic units can be efficiently run on the co-operative basis provided that the incentive of ownership is preserved and that the number of the co-operatives is not so large as to produce a "damping effect" on the entire movement. It is also imperative that merely switching to co-operation cannot solve the problem if it is immature in the sense that it may fail to develop in the later stages.

The availability of the enthusiastic staff has ceased to be a noun and has become a noise. Although in the socio-economic environment of today the administrative productivity ratio is not so important as it had been before the past decade, yet it has a definite functional role in the community regeneration. It is however a fact that the younger generation can tackle the problem more vehemently than the old generation provided that they are induced to serve their fellow beings in the rural sector. It is gratifying to note that the government of India with the collaboration of the Ford Foundation is providing technical training under an apprentice scheme but it is dismaying to note that these people are not generally assigned to any responsibility in the community administration.

It is therefore a fact that these young people who have already acquired a limited knowledge of the community programme in general should be availed in the service of the States like Himachal Pradesh and such other regions of India which are highly backward and yet reveal high degree potentialities to be tapped and exploited for the regional and national benefits.

Agricultural Propaganda And Extension Services

(Need for intensive Survey Work)

By : H. M. DESAI

Real India lives in Six lakhs of villages. Nearly 70 to 80 % of India's population directly or indirectly depends upon Agriculture.

It is a well known fact that, our agriculture depends upon the vagaries of the monsoon. When the rains are good production is satisfactory. With indifferent rains production fluctuates. In the Kharif season usually the production suffers most for want of late rains. A hopeful season turns into a failure for want of a few timely showers as happened in the 1957 Kharif Season. Thus the Food production of our Country, the linchpin of our economy, rests on the uncertainties of rain. As bulk of our rural population consists of small farmers-cultivating uneconomic holdings of land, landless labourers etc., they depending on the small mercies of timely rain, are generally in distress and bogged in the mine of poverty. This also affects the social condition and status of the majority of our rural population.

In the pre-independence period no effective measures were taken by the State to improve the economic condition and social status of this lower strata people. In the post-independence period the popular ministry gave priority to rural development programme, including among other things, the improvement both economic and social of this lower-class of the rural population. Plans were formulated under the First and now the Second 'Five Year Plan including various schemes of rural rehabilitation. Social workers also interested themselves in this development work. For the economic rehabilitation of the rural areas it was decided that the agricultural production be increased and small scale, cottage or home industries be started to supplement agricultural income as a priority measure.

Community projects, National Extension services, co-operation and other extension methods are used by the Government for the execution of the rural development programme. Non-official organisations like Sarvodaya, Bhoodan and Gramdan, Khadi Board, Bharat Sevak Samaj etc. are also working for the rural development, independently or in co-operation with the Government.

Some sort of survey work is undertaken by the various organisations in the area of their operation. Information regarding land use, crops and their production prices etc., is available on district basis in the season and crop reports that are published annually by the Agricultural Department. Information regarding population and occupational statistics is included in the census reports. Economic and Agricultural surveys, for some districts or part thereof, are undertaken by individuals or organisations and the results are published by them and are available for consultation.

The information available, however, is of very general nature and is considered scanty for preparing schemes for the development work. Unless one has a very clear idea regarding social, economic, agricultural and other aspects of the area proposed to be developed, no intensive and realistic programme can be formulated. The want of reliable and complete information in all the aspects is considered the weakest spot in formulating the programme for the rural development work which with-

out detailed information, becomes topsided and touches only a certain section of the rural population.

In framing of the development programme one needs complete information regarding the environmental conditions of the area, land and its useful statistics, system of crop production, resources of the tract in use and the waste land, population and its employment statistics, Cattle statistics, home or cottage industries etc. To be useful the survey information should be according to each homogeneous — agricultural tract, touching each family and complete in all respects.

In the 'Five Year Plans' substantial provision is made for the rehabilitation of the rural areas. If waste is to be avoided and if the amount is to be spent usefully, urgent need for comprehensive survey on homogeneous tract basis will be fully appreciated.

If this need is realised, the steps to be taken in this direction as stated below are suggsted :—

1. The determination of the homogeneous agricultural tracts of a region, for example the Gujarat areas.

(N. B. In each district there are various agricultural tracts interminating with the adjoining district or the districts. Accordingly, extent and area of each of the homogeneous tract requires to be demarketed for further intensive survey work).

This preliminary work can be undertaken by the agricultural department. The Agricultural department in consultation with the Revenue Department may be requested to prepare maps of the agricultural tracts with the agricultural statistics of each of these tracts, from the available information.

2. 2nd. Stage will be to undertake general economic. social and agricultural survey of the entire tract with intensive survey of few typical villages which may be selected by statistical method.

This survey work can be undertaken by the district development boards, N. E. S. of C. D. Administration in charge of the development work, under the guidance of the Universities of Gujarat. If the Universities are prepared to undertake such survey work through their post graduate students they may be given adequate grant for this purpose.

(N. B. It is suggested that the responsibility, for carrying out this work, should be of the district development Boards).

3. Formulating Programme of rural development work on intensive scale for the selected villages and in general scale for the whole tract. The General programme should grow on experience gained from the working of the intensive villages.

(N. B. The programme should be formulated by the officers of the various development departments in co-operation with non-officials).

4. Organisation to be set up in each of the tract should be determined in detail on finalising the programme of work.

(N. B. The present organisational set up of the existing development departments is proposed to be recasted on tract basis which should be co-ordinated at the district or the divisional level. The ideal should be to organise development work tract-wise.)

This is only a tentative suggestion for consideration of the authorities concerned. The full scheme of action may be worked out by pooling experience of all those who are working for the rural development and/or extension work, research workers, administrators, technicians, educationists, seasoned non-official workers, in the rural areas etc.

Problems Of Multiplication And Distribution Of Improved Seeds In India

By : R. K. TIWARI

With the formation of Agriculture Department in this country since 1903-1907, the first and major part of the work of these departments had been to provide improved varieties of crop seeds to the cultivators; as such, breeding of improved varieties always occupied the first position in the improvement of agriculture in India. But as will be clear from the following table that although a large number of improved varieties are available, the

TABLE I

Percentage of saturation of area in different states (Prior to State Reorganization).

Crop	State	Percentage of saturation of area with improved varieties.	No. of improved varieties released by the Department of Agriculture.
PADDY	Madras	4.0	101
	Uttar Pradesh	9.0	21
	Madhya Pradesh	11.0	19
	Bombay	23.0	21
	Assam	5.0	41
	West Bengal	0.5	23
	Bihar	19.0	28
	Hyderabad	4.0	16
	Madhya Bharat	3.0	9
WHEAT	Uttar Pradesh	20.0	
	Madhya Pradesh	9.0	
	Madhya Bharat	2.0	
GRAM	Bihar	12.0	
	Uttar Pradesh	11.0	
	Madhya Bharat	1.0	
JOWAR	Bombay	30.0	
	Madhya Bharat	2.0	

saturation of area under improved strains of different crops had been very little inspite of all possible efforts of Agriculture Department for the last fifty years. This shows that there must be some serious defect in the set up or organization of the system responsible for these limitations. A critical study of the system of seed multplication and distribution as it exists to-day in most of the states may possibly reveal some interesting features in this connection. Only the seed multiplication and distribution of grain crops has been considered in the present study and special crops like potato and sugarcane have been ignored because of their special problems.

Objects of seed multiplication:

The objects of seed multiplication are three fold :—

(1) To obtain practical purity in highly promising new varieties

whether obtained by selection, introduction or hybridization with or without changing the genetic constitution of the variety.

(2) To repurify (i.e. genetical improvement) the recommended variety if necessary.

(3) Propagate rapidly without contamination all the purified seed stocks of new and standard varieties for further distribution to farmers.

The first two considerations are mainly dealt by the technical persons like Botanists and Agronomists whereas the third phase deals with the extension wing of the Agriculture Departments. The following stages are generally met with in seed multiplication and distribution in diffrent states of India. Though the fundamental principles of these stages are the same, the methods followed in different states vary greatly.

First stage — The Botanist : who is responsible to evolve improved varieties taking into consideration the local problems. This is done through hybridization which comprises of various phases like selection of parent material, crossing programme, segregation and selection for better qualities, discarding the unwanted characters. He then multiplies this selected material in rows (Row trial) so as to get sufficient seed for the comparison of local varieties with the improved variety (yield trial). This material after being proven to be superior to the local varieties is given to Agronomists for multiplication. This stock is kown as "Breeders' Stock" in U. S. A. and Canada. Botanists give out absolutely pure seed for multiplication to the Agronomists.

Second Stage — The Agronimost : grows and multiplies the breeder's stock and takes every care to maintain the purity of the strain. A thorough rouging by Botanists is done in order to avoid any chance of impurity. Here the percentage purity maintained is about 99% and this seed is sometimes called as "Certified Seed" In U.S.A. and Canada it is also called as Foundation Stock.

Third Stage — District Agricultural Officers :

Agronomists give this material to to district farms for further multiplication under strict supervision of technical persons. The seed is grown under good conditions of cultivation and manuring and a thorough rouging is done by the District Agricultural staff, if possible checked by the Botanists. This stock is called as "Registered Seed" and certified to certain limits in which purity percentage usually remains 97-98 percent.

Fourth Stage — 'A' class growers or the progressive farmers receive this "Registered Seed" from the district or tehsil agricultural staff. They grow and multiply it under improved cultivation practices and also allow a thorough rouging of unwanted strains from their fields. These 'A' class growers are bound to sell this seed either to the Agriculture Department or to the persons ('B' class growers) as suggested by these departments at a rate fixed by the Government. The 'B' class growers are also bound with the similar conditions as 'A' class growers and are allowed to sell their produce either to 'C' class growers or to the Agriculture Department, which ultimately distributes it among smaller and smaller cultivators in order to achieve a complete saturation of that variety.

Sometimes in order to hasten this process the material from Agronomists is also directly given to 'A' class and 'B' class growers depending upon the quantities

of the seed available for distribution. In this way it takes a period of twelve to fifteen years when the improved quality strains reach the public for consumption.

Limitations of this system :

As has been said in the preceding pages, it takes a fairly long period upto 15 years when a variety becomes available to the public. Quite often it also happens that the released variety fails to compete with the local ones and thus a labour of ten to fifteen years goes invain. Secondly in case of certain diseases, their new physiological races get a time to grow and multiply during this long period; and by the time a variety which was originally proved tolerant or resistant to a certain disease (actually against a certain physiological race only prevailing at the time of crossing) it becomes susceptible to this newly developed physiological race of the pathogen, as has been observed in case of red rot of sugarcane. In addition to this, there also exist problems of maintaining purity of the improved varieties and their distribution in proper form. All these limitations can be classed under the three heads (i) Problems of breeding (ii) Problems of multiplication and (iii) Problems of distribution.

Problems of breeding :

1. Under the present system of breeding, the seed stock yield trials are conducted only at three or four places in a state wherever the research stations are situated, but the effects of various soil types and varying climatic conditions prevailing in different parts of the state are not considered very thoroughly. This keeps a chance of being failure of the variety under the conditions it has not been tested. Failure of a variety of cotton H-14 under the soil and climatic conditions of Madhya Pradesh is an example of this type. In order to avoid all these outcomings it is better to test thoroughly under all possible soil and climatic conditions.

2. Varieties bred and multiplied by the plant breeders are grown under better conditions of cultivation particularly manuring and irrigation which lack seriously with the cultivators. As such the performances of the varieties do not result as it was expected. Therefore, the distribution of such varieties should either be restricted to the areas where proper manurial and irrigational facilities exist or otherwise while recommending the varieties, the farmers should also be instructed to apply the necessary doses of manures and irrigation. But considering the present capacity of the Indian farmer it will be better to restrict the breeding programme under the limited conditions of manuring and irrigation as they actually exist among the cultivators in order to obtain a truly representative variety for them.

3. In order to shorten the period of breeding new strains, it is useful to take full advantage of varying climatic conditions as they prevail in different parts of the country, and artificial conditions (like those under green house conditions etc.) must be fully and thoroughly utilized in the earlier stages of breeding.

Problems of multiplication :

Once a variety is ready for use, its multiplication maintaining the maximum purity is the second phase. Multiplication at present is done partly by the Government multiplication farms and partly through the 'A' class growers. All possible care of rouging etc. is taken on the government farms but it is difficult to expect a similar care from the cultivators who are also assigned with the equal responsibilities of maintaining purity during multiplication. The result is that the variety multiplied by them could not be expected to be entirely pure with the

result that impurities are also multiplied with the multiplication of seed and the variety released in this way gets deteriorated very soon. So far as possible, the multiplication should be carried on only under strict supervision of technical persons i.e. through the government farms. But at present the number of multiplication farms in a state (leaving aside certain agriculturally forward states like U. P. and the Punjab) are very few with a total acreage of about 2000 to 4000 acres. This is too meagre for a state having lakhs of acres of land under cultivation. Therefore, more seed farms should be established. It will be a good idea if each Agricultural Assistant is also made incharge of a seed farm in addition to his present duties of seed distribution etc. This will reduce the requirement of technical persons on the one hand and also will give a proper chance to the Agricultural graduates for utilizing their technical knowledge in the proper direction which is not done at present. Fortunately the establishment of more seed farms was aimed at during the first three years of the second five year plan, but the progress report shows a disappointment in this direction so far.

In case, the multiplication is to be done through 'A' and 'B' class cultivators, great care should be exercised while selecting them. They should be asked to take every possible care during sowing, harvesting, threshing and storage for maintaining the purity of the seed and should give top priority in their cultivation programme for the multiplication work. As far as possible the seed to be multiplied should be grown in one compact block so as to avoid natural crossing. The cultivators must allow thorough rouging by the field staff of Agriculture Department. And lastly they should willingly agree to sell the improved varieties which they have multiplied at a rate fixed by the government.

Problems of distribution :

Under the existing system, the seed for distribution is mainly procured from the 'A' and/or 'B' class growers by the District Agricultural Officers at a Fair Average Quality (F. A. Q.) price prevailing in the market plus the premium if sanctioned by the government. This seed purchased from 'A' and 'B' class seed growers is preserved by the District Agricultural staff in the Government seed stores wherever available (which are very few at present) or in rented stores taking all the precautions to reduce storage losses. The seed is also commonly stored with the Demonstrators or Kamdars in any one or more centrally situated villages of their circle directly under their charge and supervision. The seed so preserved is distributed to the cultivators in kind under the Agricultural Loans Acts and the recipient farmers fill up the taccavi bonds and thus they are required to pay back in cash the cost of seed.

The actual distribution is done mainly through the demonstrators and Kamdars of the department which are also the seed procuring agencies as mentioned above.

Thus the timely procurement, storage and distribution are the three problems which are faced by the Agriculture Departments. For timely procurement of pure improved seeds from cultivators, a very careful consideration must be given while selecting the seed growers. The district staff should organize Registered Seed growers in requisite number much earlier before the harvests of the crops. It is a matter of common experience that the best time for making departmental seed purchases is when the produce is at the threshing yard. The approved quality seed should be purchased without allowing time lag. If calling of regular tenders is done, it may allow a considerable time lag and hamper the promptness. Such

seeds procured from seed-growers should be preserved by the District Agricultural Officers preferably in pucca seed stores after they are properly disinfected taking every possible care to reduce storage loss due to pests, diseases, rats and moisture. If the katcha or semi-pucca seed stores are to be used, a more thorough disinfection of seed stores as well as of seeds should be carried out in order to reduce storage loss.

For the distribution of seeds, under the Agricultural Loans Act, the taccavi bonds are got filled up by the recipient farmers. At present it is only the Revenue Tehsildars who are authorised to sanction the Agricultural taccavi loans in cash or kind. But if timely distribution of the improved seeds is to be facilitated, the District Agricultural Staff and even the Agricultural Assistants should also be authorized to sanction the taccavi loans for improved seeds. This will ensure a timely distribution of seeds. The recoveries of the taccavi loans are at present made by the Revenue authorities. At times, it may be possible that in their effort to make full recoveries of their Tehsil, they may be adopting some special ways and means which when considered from the Agricultural departmental point of view may not be considered quite helpful. Sometimes it may also become necessary to recover in kind when the adequate procurement fails in some districts. Therefore it will be desirable to consider to permit the departmental extension staff to get Agriculture taccavi recovery made through the Patels in cash or kind as and when required. Only such cases which prove difficult may be passed on to the Revenue Tehsildars for effecting recoveries of such troublesome persons who refuse to yield to the persuasive methods of the Agricultural department. It would be the best if distribution and recovery are carried out through the co-operative societies.

This is all in nutshell about the present day problems of multiplication and distribution of improved seeds which need a first hand attention. Proper steps in this direction can easily contribute upto ten percent increased food production—a growing need of today and tomorrow.

CO-OPERATION IN JAPAN

By : M. N. NAIK.

Introductory

Although Japan has made significant industrial development, agriculture occupies an important place in its economy. Agricultural population constitutes more than 51% of the total population. For the most part, its geograpphical area is mountainous and the cultivated area comes to only 15% of the total land.

Before 1947, seventy percent of the total families were tenants. Half of the landowners owned only 16% of the cultivated land, while three percent of the landowners owned about 30% of the total area, the absentee landlords, 17% of the total cultivated land. By the reforms of 1947, ownership rights were conferred on the tenants as a result of which the number of tenants has been reduced from 70 to 9 percent.

Credit

Japan has a highly developed Co-operative structure in the field of credit marketing and supply. More than 95% of

the farm households are covered within the ambit of co-operation. The Co-operative organisation provides 39% of the agricultural finance and holds 65% of the agricultural savings. The proportion of marketing of produce is as high as 96% and 85% in case of rice and wheat and barley respectively.

The origin of the Co-operative movement dates back to 1900. The Societies with multiple liability have two kinds of membership (1) full members and (2) auxiliary members, the former being cultivators and the latter being non-agriculturists. The average membership, and Share capital comes to 600 and Rs. 27,000 respectively per Society. The unit societies, take up the activities like credit, marketing, supply, transport, processing and publicity and transact an annual business of Rs. 3 lakh on an average. Thus these societies are the counter-parts of what we know as large-sized Multipurpose Societies. At the District or prefectural level these societies are affiliated to the credit federation as well as economic federation. The national level federations like Central Co-operative Bank. Marketing Association and Purchase Association are also formed.

Marketing

Credit structure is integrated with the system of marketing and purchases. Government is the sole purchaser of rice in Japan. A quota of procurement is fixed for each perfecture on the basis of estimated production. The prefectural quota is again distributed to the villages. The village quota is distributed to the farmers through the primary society. On the basis of these agreements the state disburses the advance payment of 20% of the value of estimated crop to each farmer through the society. The primary co-operative, the prefectural economic federation and the National Association—all act as the collection agents of the Government. Thus 95.6% of the rice, 85% of barley and wheat and 40% of sweet potatoes are co-operatively marketed. The National Marketing federation handles about 90% of the demand for seed potatoes. The Co-operatives operate starch factories and rice polishing mills.

Warehousing

In Japan, almost all the primary co-operatives have their own warehouses, their total storage capacity being 4.2 million tons. The warehousing programme was started in 1917. The state subsidised 50% of the construction costs to encourage the activity. The warehousing facilities with every Society made it possible for them to market nearly 5 million tons of agricultural produce in 1954-55.

Co-operative Supplies

Along with marketing, the Co-operatives arrange for supplies of agricultural requisites to their members. The primaries collect the orders from the farmers, consolidate them and place the aggregate indent with the prefectural federation, which in turn forwards the total demand to the national purchase federation. In this way the Co-operatives supply 71% of the total fertilizer requirements and 44% of the insecticide and chemical requirements of the cultivators. The National Federation operates two chemical factories also. The share of Co-operative in consumer goods is however less because consumers tend to depend upon purchases in cities and towns.

Education

The National Co-operative union conducts the work of members' training, research, survey and training of office bearers and employees. There is a staff training institution in every prefecture. One college has been established for the training of higher staff.

(Continued from page 136)

with the more extensive application of manure and other fertilisers, is expected to add another two million tons of grain crops to Anhwei's food output this year alone.

At the peak, altogether more than 11-million villagers were daily engaged in the building of irrigation works. The non-farming population also helped. In many counties government officials, local secretaries of the Communist Party and county magistrates, busy people at any time, worked half a day in their offices and half a day in the fields, digging and moving earth. When a co-operative farm in Feitung County was lagging behind the others, a number of county government officials left their office work entirely and went to help. Their example led 90 percent of all the able-bodied men and women in the co-operative farm to turn out on the construction site the following day.

One big problem was finding tools for so many people. Farmers brought out old worn-out tools which the co-operative farm smiths forged into new ones. I saw shovels being made out of the mudguards of old American military trucks and of shell cases which had been dug up around "Double Mound" townlet, named after two ancient mounds (where the Liberation Army wiped out 120,000 Kuomintang troops and captured the commander General Huang Wei, after an extremely severe battle in the winter of 1948.)

It was with these simple tools that earth and rock were chipped away bit by bit, but at a terrific speed, because the farmers were so numerous and their enthusiasm boundless. At "Double Mound," I met a farmer who moved ten cubic metres of earth in a single shift this way. Asked what led him to work like that, farmer Chien replied, "I want to live better". He was now earning ten times more than when working for a landlord in the old days.

Many of these water projects built in Anhwei are by no means "small irrigation works" as the peasants call them. Some canals dug by the combined efforts of several co-operative farms are 20 to 30 miles long and measure 20 yards in width. A co-operative farm in Chuhsien built a reservoir with a dam 340 yards long and 15 yards high with a 90-yard wide base. The big projects are planned with the advice of government engineers, while the smaller ones are designed by the co-operative farms themselves. All are built out of the funds of the co-operative farms which grew enormously after the 1957 good harvest.

"Irrigation works on this scale are possible only with co-operative farming, which has done away with private land ownership," said Director Tien of the province's water conservancy department. "In the old days, planning for even a small ditch often led to endless bickering among the private owners who were reluctant to give up land for its construction. Common ownership of land has swept away all the major, practical obstacles."

Above all, what sparked the enthusiasm of the peasant masses to perform these feats of labour was the 1956-57 National Programme for Agricultural Development. It set achievable yet exciting goals. Anhwei's average grain yield per acre in rcent years has been a little over 1,800 lbs., while the programme sets a target of 3,300 lbs. for north Anhwei and more than 5,300 lbs. for the south. Now, by improving the irrigation facilities, the farmers are out to exceed these levels.

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